STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of: BRIAN A. PETERSON, Respondent.	Case No. INS-17-0030 AMENDED FINAL ORDER TO CEASE AND DESIST AND LICENSE REVOCATIONS, ENTERED BY DEFAULT

On March 22, 2017, the Director of the Department of Consumer and Business Services ("Director"), by and through the Division of Financial Regulation ("Division"), properly served Notice on BRIAN A. PETERSON ("Respondent") that the Director intended to revoke Respondent's Oregon resident insurance producer license and his Oregon broker dealer salesperson license.

The Notice offered Respondent an opportunity for a hearing, if requested within 30 days. The Notice further informed Respondent that if a hearing was not conducted because Respondent did not timely request a hearing or otherwise defaulted, then the designated portion of the Director's file and all materials submitted by Respondent in this case would automatically become part of the contested case record for the purpose of proving a *prima facie* case.

The Director received a phone call from Respondent after the Notice Order was served and prior to the hearing request expiration expressing a desire for a hearing. Respondent was told that he could submit the hearing request by electronic mail prior to the hearing deadline. Respondent was verbally given the electronic mail address and it was provided in the cover letter sent with the Notice Order. The Director did not receive a request for a hearing by the deadline from Respondent. The Director sent a Final Order by Default dated April 25, 2017 ("Default Order"). After Respondent received service of

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the Default Order, Respondent called the Director and stated that he had requested a hearing through electronic mail. It was requested Respondent forward the request. The forwarded request revealed that the Respondent had misspelled the electronic mail address and, therefore, it was not delivered to the Director. Respondent agreed to withdraw his request for a hearing for an amended default order.

The Director finds that the record of this proceeding proves a *prima facie* case.

The Director makes the following Findings of Fact, Conclusions of Law, Orders, and Notice of Right to Judicial Appeal.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent has been licensed as an Oregon resident insurance producer since September 13, 2016. Respondent's national producer number is 14422724.

2. Respondent was licensed to sell securities as a registered agent in Oregon since January 13, 2014. His CRD number is 6190623.

3. Respondent was registered as a financial representative with Country Capital Management Company from April 30, 2013 until his resignation on December 14, 2015.

4. Respondent also worked for COUNTRY Financial ("COUNTRY") until his resignation on December 14, 2015.

5. On February 29, 2016, the Division of Financial Regulation ("Division") received a letter from Country informing the Division that Respondent had resigned and that Respondent may have issued automobile insurance policies without consent of the customer.

6. The Division's investigation revealed that Respondent fraudulently entered 11 applications for automobile insurance policy without the consent of the customer. The following fraudulent policies were discovered:

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A. C.B. contacted COUNTRY regarding automobile insurance policy AA4969819. C.B. informed COUNTRY that she never requested the policy.

B. On July 6, 2015, J.K. informed COUNTRY that he had received policy information for an automobile insurance policy that he never requested. J.K. stated he never asked for a quote and had not requested the policy.

C. J.S. contacted COUNTRY on July 15, 2015 to cancel an automobile insurance policy that he never requested. He stated his only interaction with COUNTRY was at a golf tournament until he received a copy of the policy in the mail.

D. On September 30, 2015, Respondent's office assistant sent an electronic mail message ("email") reminder to S.W. about owing on an automobile policy. S.W. responded on October 2, 2015 stating that he doesn't even own two of the cars on the policy and he never was even given a quote.

E. A.R., with policy CA5014958, contacted COUNTRY to inform them that he did not request an automobile insurance policy.

F. On November 12, 2015, client J.P., with auto policy PA5014961, contacted COUNTRY because he received a notice about an automobile insurance policy. J.P. stated that he contacted Respondent for a quote, but he did not sign for a policy and did not want a policy.

G. On November 14, 2015, S.J. contacted COUNTRY regarding a bill for an automobile insurance policy that she did not request. S.J. was at an event in Portland, Oregon when she signed up for a drawing and to receive additional information from COUNTRY. She had not received any information or heard from a representative until she received the invoice for the policy.

H. On December 8, 2015, E.M. contacted COUNTRY to report that he did not sign or authorize automobile insurance policy CA5010132.

I. B.Q. replied on December 10, 2015 to an email from Respondent's office

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assistant stating that she never requested a policy and could not afford the policy. B.Q. stated she signed up for a drawing at an event to win a prize and receive information from COUNTRY.

J. S.M. contacted COUNTRY in January 2016 to cancel an automobile insurance policy that he did not request. He had called for a quote only.

K. On October 19, 2016, A.B. contracted the Division stating that she did not know Respondent nor did she give authorization to Respondent or anyone from COUNTRY to submit an automobile insurance application on her behalf.

L. On November 13, 2016, C.F. contacted the Division. C.F. believed that Respondent got his information at a mortgage industry golf tournament. Respondent was giving away merchandise in exchange for business cards and a follow up call for an insurance quote. C.F. did not receive a quote. C.F. learned of the unauthorized automobile insurance policy when he received two notices for delinquent payments.

7. On September 2, 2016, the Director, through Investigator Flores ("Flores"), sent an initial email to Respondent requesting information regarding the investigation. Respondent replied by email on the same day and responded to the Director's questions. Respondent also stated that he "would be more than happy to cooperate in any investigation matters."

8. On January 17, 2017, Flores sent another email to Respondent requesting his attendance at an interview on February 7, 2017. After not receiving a response from Respondent, Flores sent a follow up email on February 2, 2017 to confirm Respondent's attendance at the interview. Respondent called on February 7, 2017, to inform Flores that he would not be able to attend the interview that day. Flores agreed to postpone the interview. Respondent stated he was available the week of February 19, 2017. Flores rescheduled the interview for February 23, 2017 and notified Respondent by email and left voicemail on his confirmed phone number. As of March 20, 2017, Respondent has

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not responded.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

9. Pursuant to Oregon Revised Statute ("ORS") 746.100, no person shall make a false or fraudulent statement or representation on or relative to an application for insurance, or for the purpose of obtaining a fee, commission, money or benefit from an insurer or insurance producer. Respondent violated this statute by fraudulently entering 11 applications for automobile insurance without the consent of the customer for the purpose of obtaining a benefit from the insurer.

10. Pursuant to ORS 744.074(1)(b), the Director may revoke an insurance producer licensee for violating any insurance laws, or violating any rule, subpoena or order of the director. ORS 746.100 is an insurance law violated by Respondent.

11. Pursuant to ORS 744.074(1)(g), the Director may revoke an insurance producer licensee for having been found to have committed any unfair trade practice or fraud related to insurance. Respondent committed unfair trade practice and fraud related to insurance by entering 11 applications for automobile insurance without the consent of the customer.

12. Pursuant to ORS 744.074(1)(h), the Director may revoke an insurance producer licensee for using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere. Respondent used fraudulent and dishonest practices by entering automobile insurance applications without the consent of the customer.

13. Pursuant to ORS 59.205(2), the Director may revoke a license of a person as a broker-dealer, state investment adviser, investment adviser representative or salesperson if the director finds that the applicant or licensee has engaged in dishonest, fraudulent or

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illegal practices or conduct in any business or profession. Respondent used dishonest, fraudulent or illegal practices or conduct in the business of insurance by entering automobile insurance applications without the consent of the customer.

14. Pursuant to ORS 731.296, the Director may address any proper inquiries to any insurer, licensee or its officers in relation to its activities or condition or any other matter connected with its transactions. Any such person so addressed shall promptly and truthfully reply to such inquiries using the form of communication requested by the director. Respondent failed to respond to multiple inquiries by the Director.

ORDER

Now therefore, the Director issues the following Orders:

15. As authorized by ORS 731.252(1), the Director ORDERS Respondent to CEASE AND DESIST from violating any provision of the Insurance Code or the administrative rules promulgated thereunder.

16. The Director, pursuant to ORS 744.074(1)(b), (g), and (h), hereby REVOKES Respondent's Oregon resident insurance producer license.

17. The Director, pursuant to ORS 59.205(2), hereby REVOKES Respondent's Oregon broker dealer securities salesperson license.

18. The Director, pursuant to ORS 59.045, hereby DENIES Respondent the use of any exemptions that would otherwise be available under ORS 59.025 or ORS 59.035, concerning persons, securities, or transactions exempt from the registration requirements of the Oregon Securities Law under ORS chapter 59 and the administrative rules promulgated thereunder.

SO ORDERED this 9th day of June, 2017 in Salem, Oregon.

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PATRICK M. ALLEN, Director
Department of Consumer and Business Services

/s/ David Tatman
David C. Tatman, Chief of Enforcement
Division of Financial Regulation

NOTICE OF RIGHT TO JUDICIAL APPEAL

You are entitled to judicial review of this order in accordance with ORS 183.482. You may request judicial review by filing a petition with the Court of Appeals in Salem, Oregon, within 60 days from the date this order is served.

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